

HOUSE BILL 1014

Q3, F2

6lr3357
CF SB 676

By: Delegates Jones, Kaiser, Atterbeary, B. Barnes, Barve, Branch, Busch, Chang, Clippinger, Cullison, Davis, Ebersole, Frick, Frush, Gaines, Gutierrez, Hayes, Haynes, Hettleman, Hill, Hixson, Holmes, C. Howard, Jackson, Jalisi, Korman, Krimm, Lafferty, Lam, Lierman, Lisanti, Luedtke, McIntosh, A. Miller, Moon, Morhaim, Patterson, Platt, Reznik, B. Robinson, Sample-Hughes, Sanchez, Smith, Stein, Turner, Vallario, Waldstreicher, M. Washington, K. Young, and P. Young

Introduced and read first time: February 10, 2016

Assigned to: Ways and Means and Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **College Affordability Act of 2016**

3 FOR the purpose of requiring the College Savings Plans of Maryland Board to adopt
4 procedures for a State contribution program; requiring the Board to provide certain
5 information in the statements for certain accounts; excluding a certain application
6 from a certain fee; authorizing a State contribution to an investment account under
7 certain circumstances; authorizing a certain application to be made by certain
8 methods; requiring the Board to establish certain documentation and procedures for
9 the submittal of a certain application; requiring the State to provide a certain
10 contribution to certain investment accounts under certain circumstances; requiring
11 the Governor to provide a certain appropriation in certain fiscal years to provide
12 certain State contributions; providing certain priorities for State contributions under
13 certain circumstances; requiring certain State contributions to be provided in a
14 certain calendar year; prohibiting a certain account holder from taking a certain
15 subtraction modification in a certain taxable year; requiring the Board to develop
16 and implement a certain plan by a certain date; allowing certain individuals with
17 certain student loan debt amounts a credit against the State income tax; requiring
18 an application for the tax credit to be made to the Maryland Higher Education
19 Commission by a certain date with a certain assurance; requiring the Commission
20 to certify the amount of a certain tax credit by a certain date subject to a certain
21 limitation; requiring a certain taxpayer to attach a certain certification limiting the
22 amount of tax credits that the Commission may approve in a taxable year to income
23 tax returns; requiring the Commission to use certain criteria for prioritizing certain
24 tax credits; providing for a refundable tax credit under certain circumstances;
25 requiring the Commission to establish and implement a certain plan by a certain

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 date; requiring the Commission to adopt certain regulations; requiring the
2 Commission and the State Department of Education to collaborate on the
3 development of a certain application for digital devices; requiring a recipient of a
4 certain award to enroll in at least a certain number of credit hours in a certain time
5 period; limiting the number of years that a certain award may be made except under
6 certain circumstances; defining certain terms; requiring the Board to make a certain
7 report to the General Assembly on or before a certain date; providing for the
8 application of certain provisions this Act; and generally relating to college
9 affordability.

10 BY repealing and reenacting, without amendments,
11 Article – Education
12 Section 18–301, 18–302, 18–19A–01, 18–19A–04, and 18–19A–05
13 Annotated Code of Maryland
14 (2014 Replacement Volume and 2015 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Education
17 Section 18–303(a) and (b), 18–306, 18–19A–02, and 18–19A–03
18 Annotated Code of Maryland
19 (2014 Replacement Volume and 2015 Supplement)

20 BY adding to
21 Article – Education
22 Section 18–114 and 18–19A–04.1
23 Annotated Code of Maryland
24 (2014 Replacement Volume and 2015 Supplement)

25 BY repealing and reenacting, without amendments,
26 Article – Tax – General
27 Section 10–208(a)
28 Annotated Code of Maryland
29 (2010 Replacement Volume and 2015 Supplement)

30 BY repealing and reenacting, with amendments,
31 Article – Tax – General
32 Section 10–208(o)
33 Annotated Code of Maryland
34 (2010 Replacement Volume and 2015 Supplement)

35 BY adding to
36 Article – Tax – General
37 Section 10–737
38 Annotated Code of Maryland
39 (2010 Replacement Volume and 2015 Supplement)

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
2 That the Laws of Maryland read as follows:

3 **Article – Education**

4 18–19A–01.

5 (a) In this subtitle the following words have the meanings indicated.

6 (b) “Account holder” means the person who established an investment account on
7 behalf of a qualified designated beneficiary.

8 (c) “Board” means the College Savings Plans of Maryland Board established
9 under § 18–1904 of this title.

10 (d) “Eligible educational institution” has the meaning stated in § 529(e) of the
11 Internal Revenue Code.

12 (e) “Investment account” means an account established by an account holder
13 under this subtitle on behalf of a qualified designated beneficiary for the purpose of
14 applying distributions toward qualified higher education expenses at eligible educational
15 institutions.

16 (f) “Plan” means the Maryland College Investment Plan established under this
17 subtitle.

18 (g) “Qualified designated beneficiary” has the meaning stated in § 529(e) of the
19 Internal Revenue Code.

20 (h) “Qualified higher education expenses” has the meaning stated in § 529(e) of
21 the Internal Revenue Code.

22 (i) “Qualified state tuition program” has the meaning stated in § 529 of the
23 Internal Revenue Code.

24 18–19A–02.

25 (a) There is a Maryland College Investment Plan.

26 (b) The purpose of the Plan is to allow contributions to an investment account
27 established for the purposes of meeting the qualified higher education expenses of the
28 qualified designated beneficiary of the account.

29 (c) (1) The Board shall administer, manage, promote, and market the Plan.

30 (2) The Board shall administer the Plan in compliance with Internal
31 Revenue Service standards for qualified State tuition programs.

1 (d) The Board shall adopt procedures that the Board considers necessary to carry
2 out the provisions of this subtitle.

3 (e) The Board shall adopt procedures relating to:

4 (1) Application procedures for participation in the Plan;

5 (2) Start-up costs incurred by the State for the development of the Plan
6 with these costs to be reimbursed to the State by the Plan;

7 (3) Early withdrawals, so that there will be no major detriment to the
8 remaining account holders in the Plan; [and]

9 **(4) THE STATE CONTRIBUTION PROGRAM; AND**

10 **[(4)] (5)** Transfer of funds from the Plan to other qualified State tuition
11 programs and from other qualified State tuition programs to the Plan in accordance with
12 federal law.

13 (f) At least annually, the Board shall issue to each account holder a statement
14 that provides a separate accounting for each qualified designated beneficiary providing the
15 following information with respect to each account:

16 (1) The beginning balance;

17 (2) Contributions to the account, **INCLUDING ANY STATE**
18 **CONTRIBUTION;**

19 (3) Withdrawals from the account during the previous year; and

20 (4) Ending investment account value.

21 18-19A-03.

22 (a) (1) The Board may issue requests for proposals to evaluate and determine
23 the means for the administration, management, promotion, or marketing of the Plan.

24 (2) The Board shall consider proposals that meet the following criteria:

25 (i) Ability to develop and administer an investment program of a
26 nature similar to the objectives of the Plan;

27 (ii) Ability to administer financial programs with individual account
28 records and reporting;

29 (iii) Ability to market the Plan to Maryland residents;

1 (iv) Ability to market the Plan to nonresidents of Maryland; and

2 (v) Ability to coordinate the Plan with other programs or
3 informational services considered beneficial by the Board, including the Maryland Prepaid
4 College Trust established under Subtitle 19 of this title.

5 (b) (1) **[The] EXCEPT FOR APPLICATIONS MADE UNDER § 18–19A–04.1 OF**
6 **THIS SUBTITLE, THE** Board may require an initial application fee to be used for
7 administrative costs of the Plan.

8 (2) The Board may require additional fees associated with the expenses of
9 the Plan.

10 (c) (1) Contributions to the Plan on behalf of a qualified designated beneficiary
11 may not exceed the maximum amount determined by the Board to be in accordance with §
12 529 of the Internal Revenue Code.

13 (2) Contributions to the Plan may be made only in cash or cash equivalent.

14 (3) The Plan shall include provisions for automatic contributions.

15 (d) The Board shall adopt procedures to ensure that contributions to the Plan plus
16 contributions or payments to other qualified State tuition programs do not exceed a total
17 maximum amount determined under § 529 of the Internal Revenue Code for contributions
18 to multiple qualified State tuition programs.

19 (e) (1) The Plan:

20 (i) Shall be established in the form determined by the Board; and

21 (ii) May be established as a trust to be declared by the Board.

22 (2) The Plan may be divided into multiple investment portfolios.

23 (3) If the Plan is divided into multiple portfolios as provided in paragraph
24 (2) of this subsection, the debts, liabilities, obligations, and expenses incurred, contracted
25 for, or otherwise existing with respect to a particular portfolio shall be enforceable against
26 the assets of that portfolio only and not against the assets of the Plan generally, if:

27 (i) Distinct records are maintained for each portfolio; and

28 (ii) The assets associated with each portfolio are accounted for
29 separately from the other assets of the Plan.

30 18–19A–04.

1 (a) A Maryland resident or a nonresident of Maryland may participate in and
2 benefit from the Plan.

3 (b) Distributions shall be requested by the account holder.

4 **18-19A-04.1.**

5 (A) FOR INVESTMENT ACCOUNTS ESTABLISHED AFTER DECEMBER 31,
6 2016, A STATE CONTRIBUTION MAY BE MADE TO AN INVESTMENT ACCOUNT AS
7 PROVIDED IN THIS SECTION IF:

8 (1) THE ACCOUNT HOLDER OR QUALIFIED BENEFICIARY OF THE
9 INVESTMENT ACCOUNT IS A MARYLAND RESIDENT;

10 (2) THE ACCOUNT HOLDER SUBMITS AN APPLICATION TO THE BOARD
11 NO EARLIER THAN SEPTEMBER 15 AND NO LATER THAN SEPTEMBER 20 OF EACH
12 YEAR; AND

13 (3) THE ACCOUNT HOLDER HAS MARYLAND TAXABLE INCOME NO
14 GREATER THAN \$112,500 FOR AN INDIVIDUAL OR \$225,000 FOR A MARRIED COUPLE
15 FILING A JOINT RETURN IN THE PREVIOUS TAXABLE YEAR.

16 (B) (1) AN APPLICATION MAY BE MADE IN PERSON, ONLINE, OR BY MAIL.

17 (2) THE BOARD SHALL:

18 (I) ESTABLISH A LIST OF DOCUMENTATION THAT MUST BE
19 SUBMITTED WITH THE APPLICATION, INCLUDING DOCUMENTS THAT ESTABLISH
20 MARYLAND TAXABLE INCOME AND MARYLAND RESIDENCY;

21 (II) A PROCEDURE TO CERTIFY THE DATE AND TIME OF RECEIPT
22 OF AN APPLICATION; AND

23 (III) ANY OTHER NECESSARY PROCEDURES FOR THE SUBMITTAL
24 OF APPLICATIONS.

25 (C) (1) FOR AN ACCOUNT HOLDER WITH MARYLAND TAXABLE INCOME OF
26 LESS THAN \$50,000 FOR AN INDIVIDUAL OR \$100,000 FOR A MARRIED COUPLE
27 FILING A JOINT RETURN WHO MAKES AN ANNUAL CONTRIBUTION OF AT LEAST \$25
28 PER BENEFICIARY, THE STATE SHALL PROVIDE AN ADDITIONAL \$250 PER
29 BENEFICIARY.

30 (2) FOR AN ACCOUNT HOLDER WITH MARYLAND TAXABLE INCOME OF
31 AT LEAST \$50,000 BUT LESS THAN \$87,500 FOR AN INDIVIDUAL OR AT LEAST

1 **\$100,000 BUT LESS THAN \$175,000 FOR A MARRIED COUPLE FILING A JOINT**
2 **RETURN WHO MAKES AN ANNUAL CONTRIBUTION OF AT LEAST \$100 PER**
3 **BENEFICIARY, THE STATE SHALL PROVIDE AN ADDITIONAL \$250 PER BENEFICIARY.**

4 **(3) FOR AN ACCOUNT HOLDER WITH MARYLAND TAXABLE INCOME OF**
5 **AT LEAST \$87,500 BUT LESS THAN \$112,500 FOR AN INDIVIDUAL OR AT LEAST**
6 **\$175,000 BUT LESS THAN \$225,000 FOR A MARRIED COUPLE FILING A JOINT**
7 **RETURN WHO MAKES AN ANNUAL CONTRIBUTION OF AT LEAST \$250 PER**
8 **BENEFICIARY, THE STATE SHALL PROVIDE AN ADDITIONAL \$250 PER BENEFICIARY.**

9 **(D) (1) THE GOVERNOR SHALL APPROPRIATE IN THE BUDGET BILL AT**
10 **LEAST THE FOLLOWING AMOUNTS FOR STATE CONTRIBUTIONS:**

11 **(I) \$5,000,000 IN FISCAL YEAR 2018;**

12 **(II) \$7,000,000 IN FISCAL YEAR 2019; AND**

13 **(III) \$10,000,000 IN FISCAL YEAR 2020 AND EACH FISCAL YEAR**
14 **THEREAFTER.**

15 **(2) IF THE FUNDING PROVIDED IN A FISCAL YEAR IS NOT SUFFICIENT**
16 **TO FULLY FUND ALL STATE CONTRIBUTIONS AUTHORIZED UNDER THIS SECTION,**
17 **THE BOARD SHALL:**

18 **(I) PROVIDE CONTRIBUTIONS IN THE ORDER IN WHICH**
19 **APPLICATIONS ARE RECEIVED; AND**

20 **(II) GIVE PRIORITY TO APPLICATIONS OF ACCOUNT HOLDERS**
21 **WHO DID NOT RECEIVE A CONTRIBUTION IN ANY PRIOR YEAR.**

22 **(E) A STATE CONTRIBUTION SHALL BE MADE IN THE CALENDAR YEAR**
23 **FOLLOWING THE CONTRIBUTION OF THE ACCOUNT HOLDER.**

24 **(F) AN ACCOUNT HOLDER IS NOT ELIGIBLE FOR THE SUBTRACTION**
25 **MODIFICATION UNDER § 10-208 OF THE TAX - GENERAL - ARTICLE FOR ANY**
26 **TAXABLE YEAR IN WHICH THE ACCOUNT HOLDER RECEIVES A STATE**
27 **CONTRIBUTION.**

28 **(G) THE BOARD SHALL DEVELOP AND IMPLEMENT BY SEPTEMBER 1, 2016,**
29 **AN OUTREACH AND MARKETING PLAN TO PROVIDE NOTIFICATION TO INDIVIDUALS**
30 **ABOUT THE AVAILABILITY OF A STATE CONTRIBUTION.**

1 (a) (1) The debts, contracts, and obligations of the Plan are not the contracts,
2 debts, or obligations of the State and neither the faith and credit nor taxing power of the
3 State is pledged directly or indirectly or contingently, morally or otherwise, to the payment
4 of the debts, contracts, and obligations.

5 (2) The Board cannot directly or indirectly or contingently obligate, morally
6 or otherwise, the State to levy or pledge any form of taxation whatsoever for the debts and
7 obligations of the Plan or to make any appropriation for the payment of the debts and
8 obligations of the Plan.

9 (b) Neither the State nor any eligible educational institution shall be liable for
10 any losses or shortage of funds in the event that the account holder's investment account
11 balance is insufficient to meet the tuition requirements of an institution attended by the
12 qualified designated beneficiary.

13 (c) Moneys of the Plan may not be considered moneys of the State or deposited in
14 the State Treasury.

15 (d) Moneys of the Plan may not be considered moneys of or commingled with the
16 Maryland Prepaid College Trust.

17 (e) Moneys of the Plan may not be considered moneys of or commingled with the
18 Maryland Broker-Dealer College Investment Plan.

19 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
20 as follows:

21 **Article – Tax – General**

22 10–208.

23 (a) In addition to the modification under § 10–207 of this subtitle, the amounts
24 under this section are subtracted from the federal adjusted gross income of a resident to
25 determine Maryland adjusted gross income.

26 (o) (1) (i) In this subsection the following words have the meanings
27 indicated.

28 (ii) “Account holder” means an account holder as defined in §
29 18–19A–01 or § 18–19B–01 of the Education Article.

30 (iii) “Investment account” means an investment account as defined
31 in § 18–19A–01 or § 18–19B–01 of the Education Article.

32 (iv) “Qualified designated beneficiary” means a qualified designated
33 beneficiary as defined in § 18–19A–01 or § 18–19B–01 of the Education Article.

1 (2) **(I) [Subject] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF**
2 **THIS PARAGRAPH AND SUBJECT** to the limitation under paragraph (3) of this subsection,
3 the subtraction under subsection (a) of this section includes the amount contributed by an
4 account holder during the taxable year to an investment account.

5 **(II) THE SUBTRACTION UNDER SUBPARAGRAPH (I) OF THIS**
6 **PARAGRAPH MAY NOT BE TAKEN IF THE ACCOUNT HOLDER RECEIVED A STATE**
7 **CONTRIBUTION UNDER § 18-19A-04.1 OF THE EDUCATION ARTICLE DURING THE**
8 **TAXABLE YEAR.**

9 (3) (i) Subject to paragraph (4) of this subsection, for each account
10 holder for all investment accounts maintained in the Maryland College Investment Plan
11 and the Maryland Broker-Dealer College Investment Plan for the same qualified
12 designated beneficiary, the subtraction under paragraph (2) of this subsection may not
13 exceed \$2,500 for any taxable year per qualified designated beneficiary.

14 (ii) For purposes of the limitation under this paragraph, each spouse
15 on a joint return shall be treated separately.

16 (4) Subject to the \$2,500 annual limitation for each account holder for each
17 qualified designated beneficiary, the amount disallowed as a subtraction under this
18 subsection for any taxable year as a result of the limitation under paragraph (3) of this
19 subsection may be carried over until used to the next 10 succeeding taxable years as a
20 subtraction.

21 **10-737.**

22 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
23 **INDICATED.**

24 **(2) “COMMISSION” MEANS THE MARYLAND HIGHER EDUCATION**
25 **COMMISSION.**

26 **(3) “QUALIFIED TAXPAYER” MEANS AN INDIVIDUAL WHO HAS:**

27 **(I) INCURRED AT LEAST \$20,000 IN UNDERGRADUATE**
28 **STUDENT LOAN DEBT; AND**

29 **(II) HAS AT LEAST \$5,000 IN OUTSTANDING UNDERGRADUATE**
30 **STUDENT LOAN DEBT WHEN SUBMITTING AN APPLICATION UNDER SUBSECTION (C)**
31 **OF THIS SECTION.**

32 **(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A QUALIFIED**
33 **TAXPAYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE**

1 TAXABLE YEAR IN WHICH THE COMMISSION CERTIFIES A TAX CREDIT UNDER THIS
2 SECTION.

3 (C) (1) (I) BY SEPTEMBER 15 OF EACH YEAR, AN INDIVIDUAL SHALL
4 SUBMIT AN APPLICATION TO THE COMMISSION FOR THE CREDIT ALLOWED UNDER
5 THIS SECTION.

6 (II) THE INDIVIDUAL SHALL SUBMIT WITH THE APPLICATION AN
7 ASSURANCE THAT THE INDIVIDUAL WILL USE ANY CREDIT APPROVED UNDER THIS
8 SECTION FOR THE REPAYMENT OF THE INDIVIDUAL'S UNDERGRADUATE STUDENT
9 LOAN DEBT AS SOON AS PRACTICABLE.

10 (2) BY DECEMBER 15 OF EACH YEAR THE COMMISSION SHALL
11 CERTIFY TO THE INDIVIDUAL THE AMOUNT OF ANY TAX CREDIT APPROVED BY THE
12 COMMISSION UNDER THIS SECTION, NOT TO EXCEED \$5,000.

13 (3) FOR ANY TAXABLE YEAR, THE TOTAL AMOUNT OF CREDITS
14 APPROVED BY THE COMMISSION UNDER THIS SECTION MAY NOT EXCEED
15 \$5,000,000.

16 (4) TO CLAIM THE TAX CREDIT ALLOWED UNDER THIS SECTION, AN
17 INDIVIDUAL SHALL ATTACH A COPY OF THE COMMISSION'S CERTIFICATION OF THE
18 APPROVED CREDIT AMOUNT TO THE INCOME TAX RETURN.

19 (D) THE COMMISSION SHALL PRIORITIZE TAX CREDIT RECIPIENTS AND
20 AMOUNTS BASED ON QUALIFIED TAXPAYERS WHO:

21 (1) HAVE HIGHER DEBT BURDEN TO INCOME RATIOS;

22 (2) GRADUATED FROM AN INSTITUTION OF HIGHER EDUCATION
23 LOCATED IN THE STATE;

24 (3) DID NOT RECEIVE A TAX CREDIT IN A PRIOR YEAR; OR

25 (4) WERE ELIGIBLE FOR IN-STATE TUITION.

26 (E) IF THE TAX CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE
27 YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE QUALIFIED TAXPAYER
28 FOR THAT TAXABLE YEAR, THE QUALIFIED TAXPAYER MAY CLAIM A REFUND IN THE
29 AMOUNT OF THE EXCESS.

1 The Office of Student Financial Assistance shall publicize the availability of Delegate
2 Howard P. Rawlings Educational Excellence Awards.

3 18–303.

4 (a) Subject to subsection (d) of this section, each recipient of a Delegate Howard
5 P. Rawlings Educational Excellence Award shall:

6 (1) Be accepted for admission in the regular undergraduate program at an
7 eligible institution or be enrolled in a 2–year associate degree program in which the course
8 work is acceptable for transfer credit for an accredited baccalaureate program in an eligible
9 institution;

10 (2) Be a resident of this State;

11 (3) Demonstrate to the Office a definite financial need; and

12 (4) Accept any other conditions attached to the award.

13 (b) Each recipient of a Guaranteed Access Grant shall:

14 (1) Have attained a grade point average of at least 2.5 on a 4.0 scale or its
15 equivalent at the end of the first semester of the senior year in high school and have
16 completed high school or, failing to do so, on the recommendation of the recipient’s high
17 school principal, provide evidence satisfactory to the Office of extenuating circumstances;

18 (2) Begin college within 1 year of completing high school or, failing to do
19 so, provide evidence satisfactory to the Office of extenuating circumstances;

20 (3) Be under the age of 22 years at the time of receiving the first award;

21 (4) Have successfully completed a college preparatory program in high
22 school;

23 (5) Enroll in **AT LEAST 30 SEMESTER HOURS IN AN ACADEMIC YEAR,**
24 **INCLUDING THE SUMMER SEMESTER, IN** college [as a full–time student];

25 (6) Subject to subsection (c) of this section, have an annual family income
26 below a poverty index determined by the Commission; and

27 (7) Satisfy any additional criteria the Commission may establish.

28 18–306.

1 (a) Subject to the provisions of subsection [(d)] (C) of this section, each recipient
2 of a Delegate Howard P. Rawlings Educational Excellence Award may hold the award for
3 [5] 4 years if the recipient:

4 (1) Continues to be a resident of this State;

5 (2) Continues to be [a full-time student] **ENROLLED IN AT LEAST 30**
6 **SEMESTER HOURS IN AN ACADEMIC YEAR, INCLUDING THE SUMMER SEMESTER,** at
7 an eligible institution [and takes at least 12 semester hours of courses each semester,] or
8 its equivalent as determined by the Office;

9 (3) In the judgment of the institution, is making satisfactory progress
10 toward a degree; and

11 (4) Maintains the standards of the institution.

12 (b) Each recipient of a Delegate Howard P. Rawlings Educational Excellence
13 Award who is enrolled in an associate degree program as permitted in § 18-303(a)(1) of this
14 subtitle may hold the award for [3] 2 years if the same conditions of subsection (a) of this
15 section are met.

16 (c) Each recipient of a Delegate Howard P. Rawlings Educational Excellence
17 Award may hold the award for a 5th year if the recipient **CONTINUES TO SATISFY THE**
18 **REQUIREMENTS UNDER SUBSECTION (A) OF THIS SECTION AND:**

19 (1) Is enrolled in an academic program that, as determined by the
20 institution, requires 5 years to complete; or

21 (2) Provides evidence, satisfactory to the Office, of extenuating financial,
22 academic, or other circumstances that prevent the recipient from completing the academic
23 program in 4 years.

24 [(d) In addition to the requirements for renewal of a Delegate Howard P. Rawlings
25 Educational Excellence Award under subsections (a), (b), and (c) of this section, a recipient
26 of a Guaranteed Access Grant shall hold the grant for not more than 5 consecutive years
27 or, failing to do so, provide evidence satisfactory to the Office of extenuating circumstances.]

28 **(D) EACH RECIPIENT OF A DELEGATE HOWARD P. RAWLINGS**
29 **EDUCATIONAL EXCELLENCE AWARD WHO IS ENROLLED IN AN ASSOCIATE DEGREE**
30 **PROGRAM AS PERMITTED IN § 18-303(A)(1) OF THIS SUBTITLE MAY HOLD THE**
31 **AWARD FOR A 3RD YEAR IF THE RECIPIENT:**

32 **(1) CONTINUES TO SATISFY THE REQUIREMENTS UNDER**
33 **SUBSECTION (A) OF THIS SECTION; AND**

1 **(2) PROVIDES EVIDENCE, SATISFACTORY TO THE OFFICE, OF**
2 **EXTENUATING FINANCIAL, ACADEMIC, OR OTHER CIRCUMSTANCES THAT PREVENT**
3 **THE RECIPIENT FROM COMPLETING THE ACADEMIC PROGRAM IN 2 YEARS.**

4 SECTION 4. AND BE IT FURTHER ENACTED, That, on or before December 1,
5 2017, the College Savings Plans of Maryland Board shall report to the General Assembly,
6 in accordance with § 2-1246 of the State Government Article, on:

7 (1) whether the State contribution program established under this Act
8 increases the number of low-income individuals that establish an investment account; and

9 (2) actions taken by the College Savings Plans of Maryland to provide
10 outreach and marketing to low-income individuals regarding the Prepaid College Trust
11 and the Investment Plan.

12 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July
13 1, 2016. Section 2 of this Act shall be applicable to all taxable years beginning after
14 December 31, 2015. Section 3 of this Act shall apply beginning in the 2017-2018 academic
15 year.